

April 7, 2023

Preliminary Monthly Report for March 2023

Money Partners Group released the following data for consolidated performance in March 2023 today. Operating revenues and foreign exchange margin deposits are preliminary figures that may change when financial statements are released.

Period	FYE March 2022											
	2021									2022		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Operating revenues (Million yen)	445	403	430	395	387	470	430	429	589	394	396	550
Foreign exchange trading volume (Currency in millions)	72,253	82,478	73,411	92,739	76,532	78,411	90,593	95,217	66,099	73,976	82,802	134,241
Customer accounts (Accounts)	342,801	343,397	343,817	344,134	344,314	344,522	344,755	345,482	346,625	347,287	347,437	347,991
Foreign exchange margin deposits (Million yen)	58,635	56,276	56,581	56,671	56,468	56,284	55,503	54,426	53,911	54,402	53,808	55,068
General customers	57,068	54,786	54,965	55,027	55,065	54,825	54,090	52,988	52,409	52,848	52,151	53,306
Financial companies (B-to-B)	1,567	1,489	1,616	1,644	1,403	1,459	1,412	1,438	1,501	1,554	1,657	1,761
Manepa Card accounts (Accounts)	161,712	161,526	161,301	161,091	160,964	160,800	160,701	160,574	160,390	159,994	159,566	159,097

Period	FYE March 2023											
	2022									2023		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Operating revenues (Million yen)	457	432	500	420	493	468	499	464	575	469	467	571
Foreign exchange trading volume (Currency in millions)	130,806	139,280	141,401	113,223	119,648	128,574	113,350	127,232	107,703	105,841	85,507	111,183
Customer accounts (Accounts)	348,893	349,810	350,630	351,580	352,358	353,153	354,034	354,921	355,911	357,388	358,445	359,637
Foreign exchange margin deposits (Million yen)	56,841	56,680	57,597	57,397	58,239	58,842	59,781	58,087	53,578	54,003	54,041	51,650
General customers	55,261	55,126	55,939	55,862	56,679	57,382	58,476	56,055	52,006	52,417	52,319	49,931
Financial companies (B-to-B)	1,579	1,553	1,658	1,534	1,559	1,459	1,305	2,031	1,572	1,586	1,721	1,718
Manepa Card accounts (Accounts)	158,807	158,600	158,387	158,213	158,026	157,844	157,701	157,517	157,440	155,557	155,331	154,837

- (Notes) 1. Foreign exchange trading volume is the sum of customer transactions in each currency, using base currency units. Trading volume has not been converted into yen.
2. The number of customer accounts and foreign exchange margin deposits are end-of-month figures.
3. Money Partners started contract-for-difference (CFD-metals) trading in August 2011. Margin deposits, trading volume (currency units converted to USD) and trading revenues in CFD-metals are included in foreign exchange margin deposits, foreign exchange trading volume, and operating revenues, respectively.
4. Foreign exchange margin deposits are presented separately for transactions from general customers and from financial institutions that are B-to-B customers.
5. From March 2022, crypto asset contract-for-difference (CFD) trading (margin deposits and trading volume (trading value converted to USD) in CFD transactions) are included in foreign exchange margin deposits and foreign exchange trading volume, respectively.

<Overview of March>

In March, the U.S. dollar (USD) began forex market trading in the lower 136-yen range. USD buying activity grew stronger on March 7 when Federal Reserve Board Chairman Jerome Powell suggested the possibility of accelerating the pace of interest rate hikes and an extended period of rate hikes during testimony before the U.S. Congress, and the USD temporarily hit a monthly high in the upper 137-yen range on March 8. Problems with U.S. bank management triggered risk avoidance moves the next day, on March 9, and dollar selling caused the USD to fall below 136 yen. However, dollar buying ensued when the Bank of Japan announced that it would maintain the current fiscal policy on March 10 and the USD rebounded close to 137 yen. The subsequent announcement of February U.S. employment statistics revealed that, although nonfarm payroll employment exceeded market expectations, the unemployment rate worsened and average hourly wages also underperformed market expectations. This led the market to view employment statistics as not being strong enough to accelerate the pace of interest rate hikes and the USD temporarily weakened to the lower 134-yen range. A series of U.S. bank collapses at the beginning of the next week

caused the USD to temporarily weaken to the lower 132-yen range on March 13. The USD subsequently recovered to the lower 135-yen range on March 15, but the rapid decline in the stock prices of major European banks heightened unease with the financial system and the USD temporarily weakened to a monthly low in the mid 129-yen range on March 24, ending the month in the upper 132-yen range.

Like the USD, the currencies for Europe and Oceania, which are the main currencies traded other than the USD, also saw large price swings due to the unease over the financial system.

The daily average price range for the USD/JPY increased to 1.653 yen (compared to 1.431 yen in February), and nearly all other currency pairs also saw the daily average price range increase from February. This caused forex market volatility to increase overall compared to February and remain at the high level that has persisted since late February 2022 after Russia invaded Ukraine.

Amid these conditions, the Money Partners Group is continuing our campaign on the Partners FX nano platform offering a 24-hour zero spread (0.0 yen, same bid and ask price) on orders up to our specified volume for the five currency pairs of USD/JPY, EUR/JPY, AUD/JPY, GBP/JPY, and Mexican peso (MXN)/JPY (made a first-in-the-industry regular offering from November 16, 2022).

Since February 16, we have offered a zero spread (0.0 yen, same bid and ask price) on transactions of up to 200,000 dollars in the USD/JPY currency pair executed between 6:00 p.m. to 9:00 p.m., in particular. We are also continuing the narrow spread campaign during Golden Manepa Time (5:00 p.m. to 3:00 a.m., the same below), offering the narrowest spreads in the industry on a total of 17 currency pairs including the USD/JPY and AUD/JPY.

We are also continuing our Golden Manepa Time campaign on Partners FX, which features 100% contract execution, offering the narrowest spreads in the industry next to Partners FX nano on a total of 17 currency pairs, including the USD/JPY and AUD/JPY. We have substantially expanded Golden Manepa Time for the USD/JPY and MXN/JPY in particular, and are continuing to offer the narrowest spreads in the industry during 18 hours from 9:00 a.m. to 3:00 a.m. for the USD/JPY and during 13 hours from 2:00 p.m. to 3:00 a.m. for the MXN/JPY.

In March, we also expanded the gift campaign we launched in October 2022 offering a digital gift to all customers who executed at least one new or settlement transaction to commemorate the release of new currency pairs, and are continuing this campaign for a total of 14 currency pairs, including the USD/JPY and AUD/JPY on the Partners FX nano and Partners FX (added on February 6) platforms. From April 3, we divided this campaign and are holding separate campaigns on the Partners FX and Partners FX nano platforms. As part of the campaign on Partners FX, we are providing incentives to increase transaction volume, such as offering higher ranked gifts according to transaction volume.

We also continued our cash-back campaign for a total of 10 currency pairs on Partners FX, including the USD/JPY, GBP/JPY, and AUD/JPY. We narrowed the focus of our cash-back campaign to mainly new limit order contracts from April 3.

On October 24, 2022, Money Partners began handling trading for the first time in the four currency pairs of the Chinese Yuan (CNY)/JPY, USD/CNY (handled on Partners FX only), Norwegian krone (NOK)/JPY, and New Israeli shekel (NIS)/JPY. In particular, we are offering a spread of 0.004 yen during Golden Manepa Time on the CNY/JPY, the narrowest spread in the industry, and are also awarding the highest level of swap points since transactions in swap points began. Money Partners is the only company in Japan* capable of handling trading in the NIS/JPY.

Since April 3, we have been implementing a campaign offering a gift set for total new trading volume in the two currency pairs of CNY/JPY and USD/CNY on the Partners FX and Partners FX nano (CNY/JPY only) platforms.

* As of June 30, 2022, according to a survey of 137 corporate members of and 4 special participants in the Financial Futures Association of Japan conducted by Money Partners.

On March 18, we released a new FX trading app for trading on smartphones. This app features the ability to manage trading on Partners FX and Partners FX nano in one app, both the large-volume transactions possible on Partners FX and the transactions on Partners FX nano, which can begin at small volumes. This all-in-one app can be operated intuitively, contains trend line graphs and other sophisticated charting functions, and comes equipped with a push notification function to prevent the loss of trading opportunities. We are planning to commemorate the release of this app by offering a 500-yen Amazon gift card to customers who execute a transaction for 10,000 or more currency units on the app and respond to the survey. We will reflect the opinions of customers who respond to the survey in building a better trading environment in the future.

The above factors resulted in a 30% increase in foreign exchange trading volume from February to 111.1 billion currency units, mainly in USD/JPY. Operating revenues were 571 million yen, a 22% increase from February and exceeding 500 million yen for the first time since December 2022 and the third time this fiscal year. This growth came from growth in system-related sales, in addition to an increase in profitability due to the growth in trading volume. Foreign exchange margin deposits fell for both general customers and financial companies, decreasing by 2,391 million yen from February to 51,650 million yen overall.

We revised our dividend policy as follows at the Board of Directors meeting held on March 15, 2023 and decided to raise the target for the dividend payout ratio from 30% to 50% of net income attributable to owners of parent. The annual dividend for fiscal year ended March 31, 2023 is 12.75 yen per share in the dividend forecast set on the same day. We expect a dividend yield of 5.12% if the year-end dividend is approved at the General Meeting of Shareholders scheduled in June.

Note: The stock price used in calculating the dividend yield is 249 yen, the closing price of the Company's common shares on the Tokyo Stock Exchange on March 15, 2023, the date of the Board of Directors resolution on the revised policy mentioned above.

[Details of Dividend Policy]

The Company recognizes that the creation and enhancement of corporate value are essential in contributing to shareholder returns, and we therefore position consistent, appropriate returns to shareholders as one of the most important issues in management. Our basic policy is to target a dividend payout ratio of 50% of annual consolidated net income attributable to owners of parent and pay dividends twice year as an interim dividend and year-end dividend. To determine dividends of surplus, we consider the balance between maintaining retained earnings sufficient for necessary investments in improving corporate performance and providing consistent, stable returns to our shareholders, while also taking the financial status of the company, the business environment, and other salient factors into consideration.

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